



RHIIP LISTSERV ARCHIVE

U.S Department of Housing and Urban Development

Office of Multifamily Housing Programs

The Multifamily Housing RHIIP Listserv was established to provide the latest RHIIP related news, occupancy tips and other items of information for the stakeholders of the various HUD subsidized multifamily programs. If you are interested in subscribing to the Listserv, please visit: www.hud.gov/subscribe/maillinglist.cfm. The weekly postings will be archived on the Multifamily RHIIP webpage after every 10 posts.

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Disclaimer: The content contained in the HUD Listserv does not create, modify or delete HUD Departmental policy, it is only intended to serve as an informational resource.

If you should have any occupancy related question, please contact your assigned contract administrator, or your RHIIP Help Desk Representative. To find a list of the RHIIP Help Desk Representatives, please visit:

<http://www.hud.gov/offices/hsg/mfh/rhiip/helpdesk.pdf>

#11 - FY 2006 Income Limits and Fair Market Rents - March 9, 2006

PUBLICATIONS:

FY 2006 Income Limits and Fair Market Rents

You can view the approved final data for Fiscal Year 2006 for the following:

- FY 2006 Income Limits, effective March 8, 2006, at
<http://www.huduser.org/datasets/il.html>
- FY 2006 Fair Market Rents, effective March 6, 2006, at
<http://www.huduser.org/datasets/fmr.html>

(Note: The information can also be accessed on www.hudclips.org)

#12 - Income of Dependents & TRACS Compliance - March 16, 2006

RHIIP TIP:

A dependent is a family member who is under 18 years of age, is disabled, or is a full-time student. The head of the family, spouse, co-head, foster child, or live-in aide are never dependents. Some income received on behalf of family dependents is counted and some is not.

- Earned income of minors (family members under 18) **is not** counted.
- Benefits or other unearned income of minors **is** counted.

For additional information about calculating income of dependents, please refer to Chapter 5, paragraph 5-6. A.3 of HUD Handbook 4350.3 REV1, Occupancy Requirements of Subsidized Multifamily Housing Programs:

[http://www.hudclips.org/sub_nonhud/cgi/hudclips_exp_coll.cgi?query_str=expand&d=HBNT&s1=\(4350.3\)\[no\]&l=100&SECT1=TEXT_HITS&SECT5=HCHB&u=../hudclips.cgi&p=1&r=S&f=S](http://www.hudclips.org/sub_nonhud/cgi/hudclips_exp_coll.cgi?query_str=expand&d=HBNT&s1=(4350.3)[no]&l=100&SECT1=TEXT_HITS&SECT5=HCHB&u=../hudclips.cgi&p=1&r=S&f=S)

ITEMS OF INTEREST:

1. TRACS Compliance Percentage Increase is Forthcoming
By law, owners and agents of certain subsidized multifamily projects are required to submit Housing Assistance Payment (HAP) vouchers containing tenant certifications, recertifications and subsidy billings to HUD electronically through the HUD Tenant Rental Assistance Certification system (TRACS). The tenant data that owners/agents submit

electronically through the TRACS must be correct in order for HUD payments to be made. HUD has established a goal for the TRACS Tenant Compliance Percentage Standard at 100%.

On February 14, 2006, a TRACS announcement was posted regarding the TRACS Tenant Compliance Percentage Standard increase. Currently the TRACS compliance percentage is at 85%; however this compliance percentage will be raised to 90%, effective April 1, 2006. The new increase will affect any HAP voucher submitted on or after April 1, 2006. Any questions regarding the new 90% Standard should be directed to the Multifamily Help Desk at 1-800-767-7588.

To view the TRACS announcements, please visit
<http://www.hud.gov/offices/hsg/mfh/trx/announcements.pdf>

2. RHIIP Listserv Archive

The archive of the most recent ten Listserv postings will be available on the Multifamily RHIIP webpage at: <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>

3. Special Thank You

The Department would like to thank those industry partners who have been promoting the new HUD RHIIP Listserv by publishing articles in their newsletters and other informational documents about the Listserv that are shared with their owners/agents and other housing partners. With the assistance of HUD's industry partners in spreading the word about the Listserv and encouraging people to sign up, the number of subscribers is growing rapidly to over 850 at this time.

#13 – TASS/EIV, Mark to Market Revisions – March 24, 2006

ITEMS OF INTEREST:

1. Tenant Assessment Subsystem (TASS) Incorporated into Enterprise Income Verification (EIV) System

The Office of Public and Indian Housing's Real Estate Assessment Center's March 10, 2006 release of the EIV System incorporated the functionality of the TASS. The TASS is used by private owners, management agents and contract administrators to perform upfront income verification by obtaining Social Security/Supplemental Security Income (SS/SSI) benefit information and benefit history reports.

The TASS functionality in EIV will remain virtually the same. To give Multifamily Housing users an opportunity to become acclimated to EIV, which will become mandatory in September 2006, TASS will continue to operate until that time. However, Multifamily Housing users are encouraged to begin using the EIV system now. The Multifamily Housing EIV User Administration Manual, which provides instructions on the use of EIV, and the EIV Multifamily Housing User Agreement and Rules of Behavior may be found on Housing's RHIIP website at <http://www.hud.gov/offices/hsg/mfh/rhiip/helpdesk.pdf> under "What's New?".

In addition, the EIV system also includes the Department of Health and Human Services (HHS) National Directory of New Hires (NDNH) data. While this information is not currently available for Multifamily Housing users, HUD is currently working with HHS to allow Multifamily Housing users access to the data to use for upfront verification purposes. The NDNH data consists of employment and income information reported to states by employers and submitted to the NDNH.

2. Implementation of Mark-to-Market Program Revisions; Proposed Rule

The Office of Affordable Housing Preservation (OAHP), formerly the Office of Multifamily Housing Assistance Restructuring (OMHAR) recently issued the following announcement:

On March 14, 2006 proposed revisions to the Mark-to-Market program regulations were published in the Federal Register. The rule invites interested persons to comment, with comments due back to the Regulations Division by May 15, 2006. The Federal Register document can be viewed at <http://www.hudclips.org/cgi/index.cgi>.

Although the proposed rule makes a number of changes to the Mark-to-Market program regulations, a vast majority of these changes have been operational since enactment of the Mark-to-Market Extension Act of 2001.

To provide some background on the proposed regulations, the Office of Affordable Housing Preservation (OAHP) will conduct a conference call on Monday, March 27 at 3:00pm EST. During this call, an overview of the proposed rule will be provided, including a discussion of the changes, why the changes were needed and the effect. The call-in information and additional details will be distributed by March 23, 2006.

Due to the anticipated size of the audience, direct questions will not be taken during the call. Anyone with specific questions before the call should send them to Norman_Dailey@hud.gov or resourcedesk@oahp.net. In addition, during the

call the e-mails to [Norman Dailey@hud.gov](mailto:Norman_Dailey@hud.gov) will be monitored. If there are several questions on a topic that can be easily answered, a response will be provided before the end of the call. Otherwise by April 5, 2006, answers to non-property specific questions will be posted and distributed via the OAHF Resource Desk (www.OAHF.net)

3. Federal Register Postings on the Renewal of Expiring Section 8 Project-Based Assistance Contracts

A final rule was published in the January 12, 2006 Federal Register (FR-4551-F-01) that governs renewal of Section 8 project-based assistance contracts, except renewal as part of a restructuring plan (Restructuring Plan) in the Mark-to-Market program. Currently, contracts are being renewed under the authority of an interim rule that became effective October 11, 1998, and later statutory changes. This final rule was effective February 13, 2006. To final rule can be view at www.hudclips.org.

In addition, two Federal Register proposed rules were issued on January 12, 2006, for public comments that were due by March 13, 2006. The proposed rules would revise current HUD regulations that govern the renewal of expiring Section 8 project-based assistance contracts. Specifically, the proposed rules would amend the regulations to include tenant protections in the case of a contract that is not renewed, and establish rent levels when an expiring contract is renewed. Certain other changes to these regulations are being made by the final rule noted above (FR-4551-F-01). The proposed rules (FR4551-P-02 and HUD-2006-001) can be viewed on www.hudclips.org.

4. Final FY 2006 Fair Market Rent (FMR) Documentation System

Changes may have occurred to FMR areas and designations of Metropolitan Sampling Areas (MSAs). To further understand this process, a FMR Documentation system is available. This system provides complete documentation of the development of the final FY 2006 FMRs for any area of the country selected by the user. After selecting the desired geography, the user is provided a page containing a summary of how the final FY 2006 FMRs were developed and updated. The updates start with the formation of the final FY 2006 FMR Areas from the metropolitan Core-Based Statistical Areas (CBSAs) as established by the Office of Management and Budget, the 2000 Census benchmark, incorporating information from Revised Final FY 2005 FMRs, and updates to FY 2006 including information from local Random Digit Dialing (RDD) survey data. The tables on the summary page include links to complete detail on how the data were developed. To access the FMR documentation system, please visit <http://www.huduser.org/datasets/fmr/fmrs/index.asp?data=fmr06>

PUBLICATIONS:

Revised Contract Renewal Request Form – Multifamily Section 8 Contracts, form HUD-9624

The **revised** Contract Renewal Request Form HUD-9624, is posted at www.hudclips.org. Multifamily Project-Based Section 8 property owners must submit the completed form within specified timeframes to the jurisdictional HUD Office or Contract Administrator who has administration responsibilities for the owners' Section 8 Housing Assistance Payment (HAP) contract. For additional information pertaining to the Section 8 HAP contract renewal process and how to complete the form, please visit <http://www.hud.gov/offices/hsg/mfh/mfhsec8.cfm>.

#14-Asset Disposed For Less Than Fair Market Value – March 27, 2006

RHIIP TIP:

Applicants and tenants must declare whether an asset has been disposed of for less than fair market value at each certification and recertification. Owners must count assets disposed of for less than fair market value during the two years preceding certification or recertification. The amount counted as an asset is the difference between the cash value and amount actually received. This provision does not apply to families receiving only BMIR assistance (Below Market Interest Rate).

Any asset that is disposed of for less than its full value is counted, including cash gifts as well as property. To determine the amount that has been given away, owners must compare the cash value of the asset to any amount received in compensation. However, the rule applies only when the fair market value of all assets given away during the past two years exceeds the gross amount received by more than \$1,000.

When the two-year period expires, the income assigned to the disposed asset also expires. If the two-year period ends in the middle of a recertification year, then the tenant may request an interim recertification to remove the disposed asset(s).

For further information including examples, please refer to Section 5-7G6 of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

1. The Department of Health and Human Services recently sent HUD an email with the following information:

On Monday, March 20, 2006, under the Medicare prescription drug benefit, there is extra help available to beneficiaries with limited incomes and resources. This extra help provides comprehensive coverage with no or low premiums and low or no deductible. To ensure that beneficiaries receive the benefit of the extra help, CMS (Centers for Medicare and Medicaid Services) is facilitating the enrollment of certain beneficiaries into prescription drug plans. This week, CMS will begin mailing letters to approximately 1.2 million people who are enrolled in other federal assistance programs such as Supplemental Security Income (SSI) and Medicare Savings Programs, as well as beneficiaries who have applied for and been approved for the extra help.

The letters let the beneficiary know in which Medicare prescription drug plan they will be enrolled by CMS if they take no action before April 30. Unless they enroll on their own during March, these beneficiaries will have their prescription drug coverage begin on May 1. CMS is enrolling these beneficiaries earlier to make sure that they receive the benefit of the extra help immediately, and without having to pay a penalty. These beneficiaries can still decline the enrollment before it becomes effective.

All of the plans that qualify for the automatic enrollment must meet Medicare's standards for access to medically necessary drugs at a convenient local pharmacy. Beneficiaries also have the option to change plans if they are unhappy with the plan into which CMS facilitated them. The letters make it clear to beneficiaries that they can choose a different approved plan in their area. The facilitated enrollment letter will list all the prescription drug plans available in their region with premiums at or below the low-income premium subsidy amount. It also recommends calling 1-800-MEDICARE to find out more about these plans.

Fact sheets with more information about facilitated enrollment and copies of the facilitated enrollment letters will be available on-line at <http://www.cms.hhs.gov/apps/media/press/release.asp?Counter=1806>. The letters will be posted on the CMS web site soon.

2. Federal Register Seeking Public Comment regarding Eviction for Drug Abuse and Other Criminal Activity

Federal Register Document Number: FR-5044-N-02
2006

Date: January 24,

The proposed information collection requirement described below has been submitted to the Office of Management and Budget (OMB) for review, as required by the Paperwork Reduction Act. The Department is soliciting public comments on the subject proposal.

The collection of information implements the statute and gives Public Housing Agencies (PHAs) and assisted housing owners the tools for adopting and implementing fair, effective and comprehensive policies for screening out

program applicants who engage in illegal drug use or other criminal activity and for evicting or terminating assistance of persons who engage in such activity. PHAs that administer a Section 8 or public housing program under an Annual Contributions Contract (ACC) with HUD may request criminal history records from any law enforcement agency concerning an adult member of a household applying for admission to a public housing or Section 8 program. Members of affected public: State or Local Government; PHAs.

Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name/or OMB Control number and should be sent to: Aneita Waites, Reports Liaison Officer, Public and Indian Housing, Department of Housing and Urban Development, 451 7th Street, SW., Room 4116, Washington, DC 20410-5000.

Comments Due: **March 27, 2006.**

The Federal Register documents can be viewed at
<http://www.hudclips.org/cgi/index.cgi>

#15 - Regular Cash Contributions, MOR Q & A - April 4, 2006

RHIIP TIP:

1. Owners must count as income any regular contributions and gifts from persons not living in the unit. These sources may include rent and utility payments paid on behalf of the family, and other cash or non-cash contributions provided on a regular basis.
2. Groceries and/or contributions paid directly to the childcare provider by persons not living in the unit are excluded from annual income.
3. Temporary, nonrecurring, or sporadic income (including gifts) is not counted.

For further information, please refer to Section 5-6F of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

MANAGEMENT AND OCCUPANCY (MOR) - QUESTIONS AND ANSWERS:

Frequently Asked Questions (FAQs) regarding the revised form HUD-9834, Management Review for Multifamily Housing Projects (MOR), are posted on the following websites:

- Contract Administration site <http://www.hud.gov/offices/hsg/mfh/rfp/sec8rfp.cfm>, under Frequently Asked Questions
- Multifamily Housing site <http://www.hud.gov/offices/hsg/hsgmulti.cfm>, under WHAT'S NEW.

The MOR form, HUD-9834, is completed by HUD staff, Performance-Based Contract Administrators/Contract Administrators and Mortgagees of Coinsured Projects (Mortgagees) to assess the management and oversight of multifamily housing projects. To view the MOR form, go to <http://www.hudclips.org>. To assist with implementation of the MOR form, a mailbox was established to address any questions related to the revised HUD-9834 and provide technical guidance. The FAQs were developed from questions submitted to the mailbox and are categorized following the order of the HUD-9834. For example, all FAQs pertaining to Part E – Leasing and Occupancy are grouped together. Additional FAQs will be added as necessary and will be added to the bottom of the applicable section. The FAQ document will reflect when it has been updated, i.e. “Updated on _____”.

Please send questions regarding the HUD-9834 to Hq_Mf_Mor/HSNG/HHQ/HUD@HUD.gov.

#16 - Student Notice & TASS/EIV – April 7, 2006

ITEMS OF INTEREST:

1. ELIGIBILITY OF STUDENTS FOR SECTION 8 ASSISTED HOUSING – SUPPLEMENTARY GUIDANCE

The attached notice will be posted in the Federal Register on April 10, 2006. This notice provides additional guidance to assist public housing agencies and multifamily project owners and management agents with the implementation of the new Section 8 eligibility restrictions for the final rule that was published in the Federal Register on December 30, 2005 and became effective on January 30, 2006. The new student eligibility restrictions only apply to HUD's Section 8 programs administered by the Office of Housing and the Office of Public and Indian Housing. This rule and notice do not apply to HUD's Public Housing program.

BACKGROUND: As you may recall, on December 30, 2005, HUD published a final rule implementing a new law that restricts individuals who are (1) enrolled at an institution of higher education (i.e., students), under the age of 24, not a veteran, unmarried, and do not have a dependent child, and (2) seeking assistance under section 8 of the United States Housing Act of 1937 (section 8 assistance) in their individual capacity (that is, separately from their parents) from receiving section 8 assistance if neither the student nor the student's parents are income eligible. The final rule is posted at www.hudclips.org under FR-5036-F-01, dated December 30, 2005, titled “Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing”.

2. CORRECTION TO POSTING #13:

In Listserv Posting #13 dated March 24, 2006, topic "Tenant Assessment Subsystem (TASS) Incorporated into Enterprise Income Verification (EIV) System", it was indicated that EIV will become mandatory in September 2006. Although it is expected that EIV will eventually become mandatory, it will not be in September 2006.

[#17 - Child Care Deductions & Student Notice Q&A - April 19, 2006](#)

RHIIP TIP

Did you know that a childcare deduction is one of five possible deductions that may be subtracted from annual income based on allowable family expenses and family characteristics? If a childcare deduction is taken, the amount will be subtracted from annual income to arrive at the adjusted income. Adjusted income is generally the amount upon which tenant rent is based.

FACTS ON CHILD CARE DEDUCTIONS:

1. Anticipated expenses for the care of children under age 13 (including foster children) may be deducted from annual income if all of the following are true:
 - a) The care is necessary to enable a family member to work, seek employment, or further his/her education (academic or vocational).
 - b) The family has determined there is no adult family member capable of providing care during the hours care is needed.
 - c) The expenses are not paid to a family member living in the unit.
 - d) The amount deducted reflects reasonable charges for child care.
 - e) The expense is not reimbursed by an agency or individual outside the family.
 - f) Childcare expenses incurred to permit a family member to work must not exceed the amount earned by the family member made available to work during the hours for which child care is paid.
2. When childcare enables a family member to work or go to school, the rule limiting the deduction to the amount earned by the family member made available to

work applies only to child care expenses incurred while the individual is at work. The expense for childcare while that family member is at school or looking for work is not limited.

3. Childcare attributable to the work of a full-time student (except for head, spouse, co-head) is limited to not more than \$480, since the employment income of full-time students in excess of \$480 is not counted in the annual income calculation. Childcare payments on behalf of a minor who is not living in the applicant's household cannot be deducted.

4. Childcare expenses incurred by two assisted household with split custody can be split between the two households when the custody and expense is documented for each household and the documentation demonstrates that the total expense claimed by the two households does not exceed the cost for the actual time the child spends in care.

For further information and examples, please refer to Section 5-10B of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

QUESTIONS & ANSWERS REGARDING ELIGIBILITY OF STUDENTS FOR SECTION 8 ASSISTED HOUSING – SUPPLEMENTARY GUIDANCE

On April 12, 2006, a conference call was held with HUD Headquarters staff and the HUD RHIIP Help Desk Representatives to discuss the implementation of the new Section 8 eligibility restrictions of students for Section 8 assisted housing. Questions and answers from the conference call have been posted to the <http://www.hud.gov/offices/hsg/mfh/rhiip/mfhrhiip.cfm>. Please contact your RHIIP Representative if you have further questions and concerns regarding the final notice.

As indicated in Listserv posting #17, the final notice regarding the eligibility of students for Section 8 assisted housing was posted in the Federal Register on April 10, 2006. This notice provides additional guidance to assist public housing agencies and multifamily project owners and management agents with the implementation of the new Section 8 eligibility restrictions for the final rule that was published in the Federal Register on December 30, 2005 and became effective on January 30, 2006. The new student eligibility restrictions only apply to HUD's Section 8 programs administered by the Office of Housing and the Office of Public and Indian Housing. This rule and notice do not apply to HUD's Public Housing program.

#18 - Income From Assets, APPS, Frontline Expenses – April 24, 2006

RHIIP TIP:

Did you know that when net family assets are more than \$5,000, annual income includes the greater of the following:

- a) Actual income from assets; or
- b) A percentage of the value of family assets based upon the current passbook savings rate as established by HUD. This is called imputed income from assets. The passbook rate is currently set at 2%.

For further information and examples, please refer to Paragraph 5-7F of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

1. Changes Coming Soon for the Active Partner Performance System (APPS) Electronic Filing Requirements:

Effective on July 1, 2006, all participants required to apply for previous participation clearance must do so through the Active Partner Performance System (APPS). A memorandum was signed by the Commissioner on April 21, 2006, regarding the implementation date and includes background information and regulatory requirements for APPS.

2. Reasonable and Necessary Project Operating Account Expenses Related to Front-Line Management Activities:

The HUD Director of the Office of Asset Management in Washington, D.C. issued a memorandum dated April 4, 2006, to all HUD Multifamily Hub, Program Center and Operations Directors regarding expenses deemed "reasonable and necessary" that can be paid from the project operating account.

3. The Department of Health and Human Services recently sent HUD an email with the following information:

On April 20, 2006, HHS announced that over 30 million people with Medicare now have prescription drug coverage. This brings the total of those who have signed up individually for Medicare prescription drug coverage since enrollment began on November 15, 2005 to over 8 million.

In addition, 5.8 million people with Medicare are getting drug coverage through the Veterans Administration and other sources of coverage that are at least as good as Medicare -- bringing the total to approximately 35.8 million Medicare beneficiaries who are now receiving prescription drug coverage.

HHS Secretary Mike Leavitt said “These strong enrollment numbers are a tribute to everyone in the national network of caring -- all of our partners, community leaders, the State Health Insurance Programs (SHIPS), and family members, who have provided counseling and assistance to the millions of beneficiaries who are now taking advantage of this new benefit and saving money.”

"The May 15th deadline is fast approaching. We urge everyone who has not signed up to act now to avoid a last minute rush," said CMS Administrator Mark B. McClellan, M.D., Ph.D. "There are plenty of ways to get help. Call 1-800-MEDICARE or attend one of the many thousands of events we are conducting with our partners across the country before the May 15th deadline. Sign up now and start saving on your drugs. And if you don't need drugs now, by signing up you can get the lowest cost protection for the future."

Overall prescription drug coverage figures as of April 18 are:

Stand-Alone Prescription Drug Plans: More than 8 million people with Medicare have enrolled in stand-alone prescription drug plans.

1. **Medicare Advantage with Prescription Drugs:** About 5.8 million received coverage through Medicare Advantage plans with drug coverage (MA-PDs). More than 950,000 of these beneficiaries signed up on their own.
2. **Medicare/Medicaid:** About 5.8 million were automatically enrolled in prescription drug plans, plus about 500,000 enrolled in Medicare Advantage plans with prescription drug coverage.
3. **Retiree Coverage:** More than 6.8 million retirees are enrolled in the Medicare retiree subsidy. In addition, about 1.4 million retirees are in employer and union-sponsored coverage that incorporates Medicare group drug coverage.
4. **Federal retiree coverage:** 3.5 million

TRICARE: There are 1.9 million beneficiaries with TRICARE retiree coverage.

FEHB: There are 1.6 million beneficiaries with FEHB retiree coverage. This figure now accounts for spouses with Medicare who are covered under a FEHB family policy by retirees who also have Medicare coverage.

5. **Additional Sources of Prescription Drug Coverage for Medicare Beneficiaries:** Approximately 5.8 million Medicare beneficiaries have alternative sources of “creditable” prescription drug coverage:

Veterans Affairs (VA): There are an estimated 3.2 million beneficiaries with creditable drug coverage through the VA.

Indian Health Service (IHS): There are an estimated 0.1 million beneficiaries with creditable drug coverage through the IHS.

Active Workers with Medicare Secondary Payer: There are an estimated 2.0 million beneficiaries who are active workers with creditable drug coverage through an employer group health plan.

Other Retiree Coverage: An estimated 500,000 retirees are continuing in coverage from a former employer that is not coordinated with Medicare drug coverage.

To view enrollment data online visit,
http://www.cms.hhs.gov/PrescriptionDrugCovGenIn/02_EnrollmentData.asp

Those wishing to enroll in Medicare Part D, visit www.medicare.gov.

#19 - Frequent Calculation Errors - May 1, 2006

RHIIP TIP:

The most frequent errors encountered in reviews of annual and adjusted income determinations in tenant files fall in three categories:

1. Applicants and tenants failing to fully disclose income information;
2. Errors in identifying required income exclusions; and
3. Incorrect calculations of deductions often resulting from failure to obtain third party verification.

Careful interviewing and thorough verification can minimize the occurrence of these errors.

For further information and examples, please refer to Chapter 5 Paragraph **5-1C** of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

The Department of Health and Human Services sent HUD an email on April 20th with the following information regarding "Standardized Codes and Exceptions Form for Medicare Prescription Drug Benefit":

The Centers for Medicare and Medicaid Services (CMS) in collaboration with their partners has been working to simplify administrative processes and create common procedures throughout the Medicare Part D program. To that end, America's Health Insurance Plans (AHIP), the National Association of Chain Drug Stores (NACDS), and the National Community Pharmacists Association (NCPA) met with CMS Administrator Mark B. McClellan, MD, PhD, to announce standardized coding messaging designed to assist pharmacists and better serve beneficiaries when they fill prescriptions at pharmacies.

Specifically, these standardized electronic messages will help pharmacists quickly determine the appropriate course of action for filling beneficiaries' prescriptions under four different circumstances: (1) when a particular drug is not covered; (2) when prior authorization is required; (3) when plan quantity or other coverage limitations have been exceeded; and (4) when the pharmacy is not part of the Part D plan's network. These organizations' agreement on this messaging will result in the consistent use of key terms by Part D plans and thus allow pharmacists to more quickly address issues at the pharmacy counter.

In addition, Dr. McClellan announced the formation of the Pharmacy Quality Alliance (PQA). PQA will aim to improve pharmacy care and outcomes through a collaboration of the pharmacy community, health plans, government, employers, physicians, and consumers. The goal of PQA will be to agree on a strategy for measuring and reporting data that will help consumers make informed choices and appropriate healthcare decisions.

"Pharmacists and pharmacies have demonstrated how important they are to the implementation of the Medicare drug benefit, and we're pleased to support these collaborative efforts," said Dr. McClellan. "The PQA is an important next step in supporting pharmacists' efforts to improve quality and reduce costs in our health care system," he said.

To further the goal of simplifying procedures in the new drug benefit, last week the American Medical Association (AMA) and America's Health Insurance Plans (AHIP), in conjunction with CMS, released a standardized exceptions form designed to assist physicians in applying for exceptions and prior authorizations on behalf of Medicare beneficiaries enrolled in Medicare drug plans. This form allows for a simplified process for physicians to apply for coverage determinations on behalf of all of their Medicare patients, regardless of which Part D plan the beneficiary is enrolled in.

The letter and accompanying attachment on standardized coding as well as the cover note and standardized coverage determination form are attached.

#20 - RHIIP Training Calendar - May 4, 2006

RHIIP TIP:

Some circumstances present more than the usual challenges to estimating anticipated income. Examples of challenging situations include a family that has sporadic work or seasonal income or a tenant who is self-employed. In all instances, owners are expected to make a reasonable judgment as to the most reliable approach to estimating what the tenant will receive during the year. In many of these challenging situations, midyear or interim re-certifications may be required to reflect changing circumstances.

For examples of approaches to more complex situations, please see Chapter 5 Paragraph **5-5C** of *HUD Handbook 4350.3 REV-1 Occupancy Requirements of Subsidized Multifamily Housing Programs*.

ITEMS OF INTEREST:

1. Did you know that on the RHIIP website is a RHIIP Training and Seminar Calendar of Events located at <http://www.hud.gov/offices/hsg/mfh/rhiip/eventscalendar.cfm>. We encourage those who are interested to review the calendar and to contact Elena_N._Herl@hud.gov if they have occupancy-related training they would like included in the RHIIP Calendar of Events.

2. The Department of Health and Human Services sent HUD an email on May 3rd with the following information regarding Contingency Planning for the May 15, 2006 Part D Initial Enrollment Period Deadline (Medicare Prescription Drug Benefit):

On May 2nd, the Centers for Medicare & Medicaid Services (CMS) issued a memorandum to Part D plan sponsors on contingency planning for the May 15, 2006 Initial Enrollment Period (IEP) deadline. CMS is reaching out to its plan partners to ensure that they are prepared to deal with anticipated increases in enrollment volume and that new enrollees will be able to obtain prescription medications on June 1, 2006.

CMS is continuing to stress to beneficiaries and partner organizations the importance of enrolling in Part D as soon as possible. We also are taking a number of steps to deal with the likelihood of a last-minute surge in enrollment, such as operating additional 1-800-MEDICARE call center sites and having call center staff work through 3:00 a.m. EDT on May 16 to accept enrollments.

CMS has instructed plan sponsors to make similar preparations for responding to enrollments between now and May 15, as detailed in the attached memo. Plans must have procedures in place to accept mailed applications postmarked on or before May 15, 2006. Incomplete applications received by May 15 will be treated as complete for purposes of meeting the IEP deadline.

In addition, HUD Secretary Jackson sent an email on May 1st to HUD employees reminding them about the importance of the May 15th deadline. He invited all HUD employees to contact their families and friends who qualify for Medicare to find out if they have made a decision about enrolling in a Medicare prescription drug plan. The Secretary stressed the fact that HUD employees can make a difference in the lives of seniors and Medicare beneficiaries around the country by helping them save money on life-saving prescription drugs and giving seniors the peace of mind of knowing that their savings will not be wiped out because of prescription drugs.